

1 52.355 is unenforceable is because we have been preempted by
2 the Act. Am I misunderstanding what you're saying, Mr. Zobel?

3 MR. ZOBEL: No. You've stated it correctly.

4 COMMISSIONER COOK: All right. I guess my question is
5 -- or maybe my statement is, my understanding of the law is
6 that preemption is, in essence, a legal conclusion that federal
7 law supersedes the state statute. My question is, have the
8 commentators -- have legal briefs been filed to that issue
9 specifically?

10 MR. ZOBEL: Yes. The commentators did speak directly
11 to the legal issue. Many of the commentators spoke about other
12 things that at least I didn't regard relevant to the legal
13 issue. They raised all these other connected issues; the
14 carrier of last resort, safety, in my view, someone to re-argue
15 the Telecom Act. There are a lot of things in this docket, but
16 certainly the commentators were noticed and did respond to the
17 legal issues.

18 Now, we don't have -- this is a new Act. We don't have
19 a lot of authority that we can point to, certainly no court
20 decisions, and, therefore, the question is somewhat pristine.
21 That's one reason my memo is as brief as it is. If there were
22 a whole lot of cases to discuss, that would have -- I would
23 have had more to say and we wouldn't be dealing with so many
24 possible unknowns. But, certainly, they certainly talked to
25 the -- spoke to the legal issue and had a great deal of

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1 opportunity to do so.

2 I would also like to say that you could just establish
3 a procedure to repeal it without declaring it to be
4 unenforceable. I mean that would be denying the petition and
5 it is true that GCI says it has other remedies here. That is
6 an option. You could recognize that you need to do something
7 about getting it off the books, but go through that process.

8 Obviously, the point of their petition is to get you to
9 do something that they can depend upon now. I don't think it's
10 just to go through the motions and I would think that they
11 intend to then go to the FCC with it so you could, by your
12 action, be having an impact on that.

13 COMMISSIONER COOK: I appreciate that, Mr. Zobel. To
14 be frank, I'm always reluctant to accede to more federal
15 control. Any time you start determining that your state
16 statutes have been preempted, you are, in essence, acceding to
17 more federal control. I'm not convinced at this juncture that
18 our statute has been preempted. I think at least I, for one,
19 need to look at this a little more in-depth. That's all I
20 have, Mr. Chairman.

21 COMMISSIONER POSEY: Lorrie, you mentioned -- and I
22 guess I have two concerns. One, affordability, and number two,
23 transition. On the affordability, you mentioned that the type
24 of service that's not offered out there and can't be offered
25 by, let's say, AT&T/Alascom system is medical records transfer.

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1 That being the case, will all areas of the state -- I'm not
2 going to try to count all the communities. What would be the
3 target area for this kind of service? And take into
4 consideration affordability because all areas probably can't
5 afford it.

6 MS. KENYON: I don't have an answer to your full
7 question. Regarding where Alascom can provide the service is
8 probably limited to its analog sites. It probably will be able
9 to do those services on its new digital DAMA sites that it will
10 be installing. As far as where you might need that service, I
11 suspect you would need it any time you have a hospital or
12 health care provider that needs to transmit information.
13 Considering how limited our rural health care resources are,
14 oftentimes all you have is a form of a technician out in the
15 rural site and they have to call the hospital in Anchorage to
16 find out what they should be doing. It may be quite critical.

17 Now, as far as the costs, you have -- the FCC says it
18 is willing to pay some of those costs under the universal
19 service order and it's not the full gamut of services, but it's
20 quite a bit. I think they provide one reasonably high capacity
21 line and an internet access, so that gets you a lot for what we
22 need. So, you have payment. A way of getting support for this
23 service from the feds is just a matter of how much is it going
24 to cost and I can't predict that. That's the hardest part.

25 CHAIRMAN COTTEN: I asked you for some stuff on the

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1 history of this issue and as far as the FCC's decisions over
2 the years and, to be honest, I haven't completely studies this
3 as much as I'd like to, but I'm looking at the dates. It
4 appears that in 1975 the original prohibition was in place with
5 the FCC.

6 MS. KENYON: I'd have to double check the dates. I
7 know it began in the '80s or it was in the '80s I thought. The
8 issue may have started in '75.

9 CHAIRMAN COTTEN: Yeah, this is -- the first one was
10 issued November of '75 that discusses the problem with
11 duplicative facilities and why build two when one would satisfy
12 the needs of all. Of course, that raises the immediate
13 question -- I mean that was over 20 years ago, so obviously
14 we've had a lot of advances in technology since then and
15 perhaps some of the facilities that are in place now wouldn't
16 offer services that a new facility might and that's an obvious
17 change in circumstances. I guess this is a comment. I hope to
18 spend a little more time on that and have a better appreciation
19 for the history of the FCC rule. What is it with the FCC? Is
20 it a rule of theirs or is it as a result of an order that
21 duplicative facilities aren't allowed?

22 MS. KENYON: It's the result of several orders
23 actually. There's a string of them and many of them say very
24 similar things, but basically the FCC concluded, as you know,
25 quite a long time ago that it wouldn't make economic sense to

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1 have two ERT stations in the same rural location in Alaska.
2 The policy aspect of that hasn't really been re-evaluated at
3 the FCC for quite a while.

4 They did look into it to some degree when they had to
5 evaluate the GCI request to install their 50 sites.
6 Conceivably they could have at that time said, well, we're
7 going to open up the whole market because we think it's a good
8 idea, but instead they just granted the petition that GCI had
9 filed to open just the 50 sites.

10 It is a key issue at the FCC because it has
11 consequences to other areas. For example, it was an issue in
12 the rate integration docket CC-90 -- 83 -- oh, it's been so
13 long since I've had to reference that. I'm sorry, I don't
14 remember the number. But there's Alaska Joint Board issues
15 associated with that where they re-evaluated the interstate
16 market structure and one of the issues was how does this all
17 affect the world and the preemption on -- not preemption, on
18 the restriction of where you can build.

19 One of the things they had done in that market
20 structure order was create different rate structures depending
21 upon where you can build and where you can't build. Alascom
22 has different rates depending on where the area is basically.
23 So, they recognized it there. I guess they could have at that
24 time taken more action. They chose not to. I'm not sure that
25 answers your full question though.

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1 CHAIRMAN COTTEN: One of the things that I think GCI
2 commented was that they didn't want to have to give advance
3 notice to potential competitors as to where they were going to
4 place their new facilities, so that might be a reason why they
5 wouldn't continue with this same approach they used last time
6 with these 50 sites. They had to get approval for each
7 individual place and then Alascom or somebody else would be
8 alerted that GCI was intending to build new facilities and the
9 potential competitor could make a move at the same time. It
10 seemed like that was a concern, but, in your opinion, couldn't
11 GCI petition to place another 50 facilities in Alaska and
12 probably get FCC approval and our approval?

13 MS. KENYON: I don't know whether they'd get the
14 approval. They certainly could petition it. You have quite a
15 number of commentators in this proceeding that basically don't
16 want the APUC to extend that project for a variety of reasons.
17 So, I think it would not be unopposed and you'd be back in the
18 same position you were in when we had to re-evaluate U-95-38
19 where you had various commentators opposing it and hearings
20 perhaps. It wouldn't be a slam dunk by any means.

21 CHAIRMAN COTTEN: Well, I appreciate it, you know, the
22 back and forth here today. I'm probably not anxious to make a
23 final decision today. It seems like it's a pretty major policy
24 call. I'm also getting the impression that FCC may be not
25 interested in responding to the petition that's been in front

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1 of them for seven years unless and until we give some guidance.
2 Do you think that's probably a good guess?

3 MS. KENYON: I don't know as I could say that. What I
4 would say is that if the APUC today on a policy issue said, by
5 God, we think it's the best public interest decision to open up
6 the Bush for everybody, the FCC would really look at that
7 closely and say, well, why should we keep ours if the APUC got
8 rid of their. The legal issue though is different. I would
9 hope that they would view that differently because we're not
10 suggesting a policy change here.

11 CHAIRMAN COTTEN: Well, I don't think.....

12 COMMISSIONER ORNQUIST: Mr. Chairman?

13 CHAIRMAN COTTEN: Go ahead, Commissioner.

14 COMMISSIONER ORNQUIST: Thank you. It's a little bit
15 hard to talk and listen because of the satellite delay, but I
16 have one comment and then a couple of questions. Number one,
17 it seems as though what we're really talking about when we say
18 building facilities is allowing competition at the wholesale
19 level. The question comes to my mind, well, is that
20 competition covered under the Act as well so that there's
21 competition at the wholesale level? That's just a thought that
22 crosses my mind. But as far as addressing those, it sorts of
23 seems like eventually we're going to have to do an R docket to
24 look at this and perhaps opening it sooner would be better than
25 opening it later. That's not saying you would get rid of it or

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1 leave it in, either way; it's just saying we'll begin to look
2 at a process immediately, getting comments and such. I'm not
3 sure, but maybe we could get an idea of how long that process
4 would take if we addressed it -- starting now, addressed it
5 promptly and tried to get through it quickly to make it count
6 for something.

7 Then the other question that would go along with that
8 is if that process were to occur, would anybody be out -- I'm
9 not sure that anybody wants or is ready to put facilities in
10 sooner than we could go through that process anyway. I have no
11 idea.

12 MS. KENYON: Excuse me, Commissioner, but I'm not sure
13 that I'm clear what the scope of issues would be in the docket
14 that you're suggesting.

15 COMMISSIONER ORNQUIST: Well, I think the one that you
16 suggested was pretty broad. The one that I'm talking about
17 would just be addressing the one issue of limiting competition
18 or not allowing facilities out in the Bush.

19 CHAIRMAN COTTEN: We've just had a round of comments
20 from the parties that would probably respond in an R docket as
21 well, so I'm not sure -- if you could help me understand how
22 we'd get any different comments if we were to put this issue
23 into an R docket.

24 COMMISSIONER ORNQUIST: Mr. Chairman, I don't think we
25 would get different comments, actually, but I think if we had

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1 an R docket open, we could address the fact that this
2 regulation that's in place and decide whether we need to modify
3 it, take it out, leave it in like it is or whatever and then we
4 will address the real root of the issue that we're facing right
5 now.

6 CHAIRMAN COTTEN: Mr. Zobel. Excuse me. Commissioner
7 Cook.

8 COMMISSIONER COOK: Just real briefly, as I see it, we
9 really only have two choices at this point. Either we declare
10 that this is unenforceable because we've been preempted or we
11 open an R docket. I mean that's the only two choices that I
12 see. Maybe I'm wrong and I'll defer to Mr. Zobel on that.

13 2640

14 (Tape change)

15 Tape 2

16 0108

17 MR. ZOBEL: Well, I was just going to point out that
18 you do have an R docket right here, R-97-1. What happens in
19 the R dockets is you do a policy commenting and the next step
20 can be to notice regulations to do something that would be
21 under the APA. You haven't reached that step yet. Now, you
22 also could do that in another docket or whatever docket, but
23 I'm just pointing out that you do have one here.

24 CHAIRMAN COTTEN: Yeah, regardless of which papers we
25 shuffle here, I think the issue is in front of us pretty

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1 squarely. Ms. Kenyon.

2 MS. KENYON: Regarding the timing, and I'm only
3 speaking for myself here, I'm not speaking for Staff as a
4 whole, but seems to me one of the things I would like to know
5 if I was going into a docket issue or suggesting is the results
6 of the demonstration project. I don't know how long that will
7 take to find that out, but I think we're still reviewing that.
8 But, you know, that's my own opinion and you may be able to
9 make a decision without that information.

10 COMMISSIONER HANLEY: I'm looking at some of the
11 comments, Lorrie, and TelAlaska suggests that competitive
12 neutrality can be created by causing AT&T/Alascom to price
13 wholesale services at a discount from retail rates and that
14 would bring Alaska into compliance with the Act without the
15 construction of uneconomic facilities. I guess I just wanted
16 you to comment on that statement.

17 MS. KENYON: I'm not sure it's that simple. Let's take
18 an example. Let's say that you know that Eek -- and I haven't
19 a clue of what it would cost to serve Eek. Let's say that it
20 costs \$11 per minute to serve Eek and when we were doing the
21 Alascom rate case, there was one location in the state where
22 that was, in fact, true at that time. So, if it costs \$11 per
23 minute for Alascom to serve Eek, what should the wholesale rate
24 be? The retail rate certainly is fairly low. It could be
25 under 65 cents per minute. Well, how do you design the

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1 wholesale rate? There's a lot of issues involved in that.
2 It's not so simple as saying, well, we're going to make Alascom
3 serve Eek for 10 percent off of the highest retail rate when
4 the retail rate is under a buck and it costs 11 bucks to serve.
5 So, it's not that simple.

6 COMMISSIONER HANLEY: Okay. Thank you.

7 CHAIRMAN COTTEN: I had one other quick question here.
8 One of the comments by TelAlaska dealt with the public safety
9 issue and we've seen a lot of different comments on the issue
10 of the batteries that exploded and what's been done since then
11 to prevent that from happening again. But TelAlaska requested
12 the Commission to launch an independent investigation to
13 determine whether all DAMA sites were safe and in compliance
14 with the federal and state safety laws and I see the executive
15 director just left. I was going to ask him if he had any
16 response to whether the Staff would recommend that additional
17 investigation is required. Maybe you have an answer to that.

18 MS. KENYON: Well, I can tell you a few things. Staff
19 is a party in that case as far as I know, so I'm not sure that
20 we can discuss our position here at this time. I do know
21 they're looking into it and evaluating the comments that have
22 been filed and I suspect that they will provide a report, but
23 that's about all I can say.

24 CHAIRMAN COTTEN: So, I guess, Mr. Lohr, I just mention
25 that TelAlaska requested the Commission to launch an

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1 independent investigation on the safety issue and wondered what
2 comments you had as far as your current activities. Ms. Kenyon
3 reminds us that you're a party here, so what can you tell us
4 about that and do you have a response to that request?

5 MR. LOHR: Mr. Chairman, thank you. I was scurrying
6 out of the room to try to locate Mr. Marshall, who has done a
7 review of the safety issue informally for Staff and see if I
8 can drag him down here to give a brief report on that to the
9 extent that's consistent with party status, but he's the one
10 that's knowledgeable on that. When the initial report came in
11 concerning the incidents, I asked him to specifically contact
12 GCI and obtain detailed information and a detailed report,
13 which I believe was filed and he would be in the best position
14 to describe the results of that process.

15 CHAIRMAN COTTEN: You know, I just have a feeling we're
16 going to get back together on this issue, so I don't think it's
17 critical that we drag him down here at this moment. Anybody
18 else? I'm sensing a consensus that we're not going to act from
19 the bench today. There's a lot of material here, but there's,
20 I think, a good appreciation on the part of the Commission that
21 this isn't a decision that we can put off for an indefinite
22 period of time, so it would be my intention to try to make sure
23 that everybody has all the information they need and arrive at
24 a decision as quickly as possible. I don't know how we're
25 going to organize our efforts to do that at this point, but I

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1 think it's clear that we can't avoid this question. Does
2 anybody else have any comments on this particular subject
3 today? Does anybody want to make any motions?

4 COMMISSIONER COOK: Take a break.

5 CHAIRMAN COTTEN: We'll take a -- come back at 10:30.

6 (Off record - 10:13 a.m.)

7 (On record - 10:32 a.m.)

8 CHAIRMAN COTTEN: Are you back on there, Dwight?

9 COMMISSIONER ORNQVIST: I sure am.

10 CHAIRMAN COTTEN: We're going to go back on the record.
11 We'll approach our next agenda item. Can we get your
12 attention, please. If you're going to continue your
13 discussions, you're going to have to do it someplace else,
14 please. I need a gavel. Okay. Item #4 is a discussion of
15 proposed telecommunication workshops. The subject was brought
16 up at our last meeting and it was suggested and, I think, well
17 received that we make it an agenda item. It's as a result of a
18 request and a suggestion by Commissioner Hanley that we do this
19 and I think it's gathered a lot of interest perhaps beyond even
20 what's on our agenda here. So, I'd turn the chair or the floor
21 over to Commissioner Hanley at this point for any remarks.

22 COMMISSIONER HANLEY: Thank you. These are -- the two
23 suggestions here for workshops are a couple items that were
24 mentioned to me that might be appropriate. In listing those,
25 and I'm sure there are other subjects that would also be

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EXHIBIT F

STATE OF ALASKA

THE ALASKA PUBLIC UTILITIES COMMISSION

Before Commissioners:

Sam Cotten, Chairman
Alyce A. Hanley
Dwight D. Ornquist
Tim Cook
James M. Posey

ALASKA PUBLIC UTILITIES COMMISSION
1016 WEST SIXTH AVENUE, SUITE 305
ANCHORAGE, ALASKA 99501

PUBLIC MEETING

December 17, 1997
9:00 o'clock a.m.

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P R O C E E D I N G S

Tape 1

0026

(On record - 9:00 a.m.)

CHAIRMAN COTTEN: Good morning. This is the 17th of December. It's about 9:00 o'clock at the Alaska Public Utilities Commission. Present are Commissioners Cook, Ornquist, Hanley and myself, Chairman Cotten. And Commissioner Posey is expected shortly so before we take up item number 3 we'll make sure we have a full Commission here today.

As usual, first on the agenda is the opportunity for members of the public to make comments to the Commission. Are there members of the public who wish to be heard today? I see no one who has so indicated.

The second item is the consumer public information report. And our chief of the consumer section is still out ill, and it's my understanding we'll postpone this report until next -- the next public meeting. So I think we can go to Item number 4. Ms. Kenyon.

MS. KENYON: There are a variety of things that the APUC needs to do to ensure that local carriers instate get Universal Service support by January 1. And these requirements are outlined basically in the public notice that's in tab 1 of the document I've provided to you. Tabs 2 through 4 provide you with the drafts of the recommended letter formats to be sent to

the FCC. I suggest that we, perhaps, send those out within the next week or so.

What I'd like to do is just go over the letters one at a time to give you a feel for what's being proposed here. The letter at tab 2, what that does is just provides the FCC a list of the carriers that the APUC has deemed to be eligible. And we can -- I've come up with a tentative list, but not all the orders are out yet. When the orders are out we can send the letter with the complete list of the utilities, but I suggest we don't wait beyond next Monday or Tuesday to send this letter out because it's due on December 31st. So if need be, we could send the first pass of here are all the LECs that we have orders out on that are eligible, and if necessary send a second letter and say yes, we have additional eligible carriers to add to the list. So that's the intent of this letter at tab 2.

Any questions on that in particular?

COMMISSIONER COOK: Yes.

CHAIRMAN COTTEN: Commissioner.

COMMISSIONER COOK: I'm going through the list, Lori, and I guess I'm looking to Jeanne as well. Is everyone on the list in circulation at this point, do you know?

MS. McPHERREN: About half of them have gone out and another quarter are circulated and another quarter are left to be finalized and circulated.

COMMISSIONER COOK: Okay.

MS. KENYON: The one that has an outstanding issue, which is the GCI LEC eligible carrier filing, GCI is going to file a supplement to that today so we'll have, perhaps, a little bit more clarity as to the status of that one. And obviously, we have all the rural health care eligible carriers that are not on this list and we don't have a decision on that yet.

COMMISSIONER COOK: But at this juncture the GCI LEC is really the only one that's in controversy?

MS. KENYON: I'm not even sure that as of -- controversy is a strong word. I have assurances from GCI today that they will meet the January 1 deadline. And you just have to see whether or not you find those assurances acceptable when they file it today.

COMMISSIONER COOK: Okay. Yeah, I'm -- controversy was probably too strong a word, but I guess the sum and substance of what I'm asking is everyone except GCI is at this point just a matter of getting words on paper?

MS. KENYON: Right.

COMMISSIONER COOK: Yeah.

CHAIRMAN COTTEN: Yeah, either for your, Commissioner Cook or Lori, what about AT&T as a LEC, have they applied to be classified as eligible?

MS. KENYON: No, they have not. I'm not sure that they own any facilities at this point in time which would raise an issue of whether they could even be eligible, but they haven't filed.

CHAIRMAN COTTEN: You can go ahead if you have -- is that all you had?

MS. KENYON: That's all I had on this letter. Shall I go to tab 3?

CHAIRMAN COTTEN: Sure.

MS. KENYON: Tab 3 has to do with Lifeline and LinkUp Services and it informs the FCC that we've agreed to accept their federal discounts. The one somewhat tricky thing is that there are four nonregulated utilities in our state and I've tried to couch the letter so that the FCC sort of understands that we basically have approved, for what its worth, them reducing their rates. It's worded in such a way that if -- that the FCC may be feel comfortable allowing these carriers to implement Lifeline LinkUp because the FCC has come out in the regulations and stated that they need state approval for all Lifeline LinkUp reductions, for the nonregulated utilities they don't need our approval to do that. They don't need approval from the APUC to reduce and implement Lifeline LinkUp rates, but the FCC is basically saying, well, APUC, we want your approval to do this so, hopefully, this letter will give them assurance at the FCC that all local carriers in the state either have met our Lifeline/LinkUp standards, they're going to be implementing them by January 1, and for the ones, the nonregulated ones for which we don't have any details we certainly agree to accept the federal contribution to allow reductions in the intrastate

rates. That's the extent of this letter. Any questions or comments?

CHAIRMAN COTTEN: Apparently not.

MS. KENYON: All right. The letter at tab 4 merely notifies the FCC that we've adopted the school and library matrixes for discounts. And the letter at tab 5 is going to the local exchange carriers in our state. And what it's doing is it's saying there's a responsibility under the public notice and either the APUC could have done or the utilities could do it and we think it's best for utilities to do it, therefore, be on notice it's your job to make this filing to the FCC by December 31st. And the information the FCC is asking for is basically proof that the utility is in compliance with its Lifeline/LinkUp regs and they want an estimate of the number of Lifeline/LinkUp customers and what they term as the state -- I think state revenues. I've got to get the exact terminology here because I'm not sure I know what they mean by it. And the amount of state assistance. I'm not sure if that means how much the State is contributing, contributing into the Lifeline/LinkUp program from State funds or they mean how much FCC funds are needed to make the Lifeline/LinkUp program work. But in either case it's -- we're -- this letter would say, utility, it's your job to get that filing to the FCC.

And that's the extent of it. And we just send those letters out, some as soon as -- obviously, the one at tab 5 as soon as possible, and the others as we have the information.

Obviously tab 2 maybe next week when we have more information. And the schools and library letter could go out immediately, and the Lifeline/LinkUp one, I suggest, we wait till maybe Friday because that's a critical tariff action meeting. After that tariff action meeting we'll know pretty well the status of all the Lifeline/LinkUp tariffs in the state and it looks like they're pretty much not a problem. They'll all be approved by that point. But that's it.

I just wanted to see if this was an acceptable approach. And we'd be sending by direction letters, so they'd be, in effect, letter orders to the Commission -- to the FCC.

CHAIRMAN COTTEN: Go ahead, Commissioner.

COMMISSIONER COOK: At least on this one to the LECs notifying that they have to file this compliance letter, I think the sooner we get that out the better because.....

MS. KENYON: Right.

COMMISSIONER COOK:by the time they get it and they get it -- by the time we get it out and they get it the deadline is.....

MS. KENYON: Right.

COMMISSIONER COOK:right there. In fact, would it be wise to develop a model compliance letter for them and include a draft of that?

MS. KENYON: I don't think so because I'm not sure what that letter would look like and it may vary from utility to

utility like the nonregulated ones might have a different form than the regulated ones.

COMMISSIONER COOK: The nonregulated.....

MS. KENYON: I guess I don't know how they are going to prove that they comply with the FCC regs, so I'm not sure I would know how to draft a form letter that would maybe answer all the questions that need to be asked.

COMMISSIONER COOK: Do they know -- I guess -- I mean it seems to me like we may be in the best position to know the answers to the questions or at least know the questions. I'm just thinking that we need to facilitate this in any way we can. And that's kind of where I'm going is I don't want to leave these people anybody in the lurch out here that, you know, we get this out the 20th of December and get it to them on the 25th of December and they're going now what do I need?

MS. KENYON: Well, to some ext- -- well, I can work on coming up with some type of form letter. I feel a little uncomfortable doing that because I think it's the utility's responsibility, but I'll certainly give it a try and, you know, just attach it as saying maybe you could send this to the FCC. This is our attempt at it, but it's still your responsibility to do it.

COMMISSIONER COOK: Yeah.

MS. KENYON: Utilities, as far as I know, should understand that they have responsibility to do this. Even though the public notice says it's either us or them can file

this information, I think that any -- the ones that, for the most part, are taking the initiative themselves to collect this information.

COMMISSIONER COOK: Well, I just -- it's an idea that, I think if we can work on it maybe that would help.

MS. KENYON: Okay.

CHAIRMAN COTTEN: I'm going back and forth here between, what was it, tab 3 which is -- tab 3 is the letter to the Universal Service Administration Company, office of the Secretary, FCC, and we here say that we assert that we've approved all regulated local utilities to provide the service with tariffs filed compliant with the FCC rules.....

MS. KENYON: Uh-huh.

CHAIRMAN COTTEN: And that would tell the carriers in Alaska that they have to demonstrate that they comply with the FCC rules.

MS. KENYON: Right.

CHAIRMAN COTTEN: So have they already -- they've already demonstrated that to us?

MS. KENYON: Right. And that's what the intent -- this is sort of a double coverage. This letter is meant to tell the FCC we think they've complied to give the FCC additional assurance that when the LECs come to them and make their own documentation of compliance that we've got both sides from the State saying the same thing.

CHAIRMAN COTTEN: So they could just provide the FCC with the same demonstration that they provided us?

MS. KENYON: What I was thinking of doing is saying is telling the LECs just to provide a sample -- provide the by direction letter that we sent to them on Lifeline/LinkUp and the copy of the tariff sheet saying here's what we did and that would be demonstration of their compliance.

CHAIRMAN COTTEN: And then we require them to identify the number of qualifying low income consumers as well. And was that something we required?

MS. KENYON: No, that's something the FCC required.

CHAIRMAN COTTEN: So that is the responsibility specifically that's different than what their responsibility was to us?

MS. KENYON: Right. We've never come out and said you have to comply with the FCC regulations, but it's understood when we were doing the tariffs if there's anything in the tariff that was different from the FCC regs I asked the utility to change it. The FCC is the entity that's specifying the data that needs to be filed by December 31st. We don't.

CHAIRMAN COTTEN: And the data is that number as well as what?

MS. KENYON: Pardon me? The data is the number of Lifeline/LinkUp customers and the state assistance number. Now, it depends on what that means, if it means how much money the State's contributing into the Lifeline/LinkUp pot the we know